



STEVE J. THERIOT, CPA
LEGISLATIVE AUDITOR

OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

July 12, 2006

Ms. Sandra Morgan, Mayor Pro Tem
and Board of Aldermen
Village of Collinston
P.O. Box 148
Collinston, LA 71229

We performed a limited examination of the financial records of the Village of Collinston (Village) for the period beginning October 1, 2005, and ending April 30, 2006. We also reviewed selected policies and procedures as well as the Board of Aldermen (Board) minutes. The scope of our work was significantly less than those required by *Government Auditing Standards* in the audit of the Village's financial statements; therefore, we are not offering an opinion on the Village's financial statements or the Village's system of internal control nor assurance as to compliance with laws and regulations.

As part of our review, we noted certain matters that we want to bring to the attention of the Board and management for consideration. We offer the following comments and suggestions:

1. In January 2006 and March 2006, Village funds totaling \$1,047 were paid to Cingular Wireless for the mayor's personal cell phone bills. Mayor James Fontenot obtained personal cell phone service, including five separate cell phone numbers, through Cingular Wireless in the Village's name without approval from the Board.

The January 2006 withdrawal originally listed the mayor's personal bank account as the source of funds. However, the bank withdrew \$300 from the Village general fund because the Village's name was listed on the transaction. The second withdrawal from the Village bank account totaling \$747 was made by phone where a routing number and bank account number are required to be given. Bank records indicate that the transaction listed both the Village name and general fund bank account number. On March 31, 2006, Mayor Fontenot reimbursed the Village \$1,038 for the charges.

In addition to the Cingular Wireless account, the mayor obtained a credit card in the Village's name without approval from the Board. The Village has not made payments on this credit card.

We recommend the Board issue a letter to the credit card and cell phone companies stating that proper approval was not granted and request the Village's name be removed from each account. We also recommend the Board adopt an ethics policy in compliance with the Louisiana Code of Governmental Ethics, Title 42 of the Louisiana Revised Statutes. The policy should require annual certification from board members and employees attesting to their compliance and outline appropriate actions to be taken by the Board if the policy is violated.

Ms. Sandra Morgan, Mayor Pro Tem
Village of Collinston
July 12, 2006
Page 2

2. On two occasions, Mayor Fontenot traveled to Baton Rouge and did not document the business purpose of the travel. Mayor Fontenot stated that one trip was to meet with a road grant committee and the other was concerning legislation. Mayor Fontenot has not produced supporting documentation concerning the business purpose of these trips.

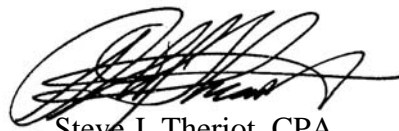
We recommend the Board adopt a detailed policy that provides specific guidance as to allowable business and conference travel. The policy should also require the employee traveling to complete and submit a detailed expense report (with supporting receipts) to be approved before reimbursing travel related expenses.

3. The parish maintains a cash drawer for change when collecting fines and water and sewer payments. Parish employees do not reconcile the cash drawer daily as required by Village policy. Although receipts are given for money collected, receipts were not issued to Mayor Fontenot when he borrowed money from the cash drawer for his personal use. The village clerk accounted for the borrowed money and confirmed the money was reimbursed.¹

We recommend the Board enforce its policy of reconciling the cash drawer daily and prohibit employees from borrowing money or cashing checks.

I trust that this information will assist you in the efficient and effective operations of the Village. Should you have any questions, contact me at (225) 339-3839.

Sincerely,



Steve J. Theriot, CPA
Legislative Auditor

GL:DD:DGP:dl

COLLINSTON06

¹ **Article 7, Section 14 of the Louisiana Constitution** provides, in part, that except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

June 20, 2006

RECEIVED
LEGISLATIVE AUDITOR

06 JUN 23 AM 10:34

Sandra Morgan
Alderman
Village of Collinston
P.O. Box 148
Collinston, La. 71229

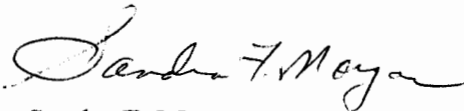
Mr. Steve J. Theriot, CPA
Legislative Auditor
P.O. Box 94397
Baton Rouge, La. 70804-9397

Dear Mr. Theriot:

This is to acknowledge receipt of your letter of June 9, 2006 regarding the compliance audit report for the Village of Collinston.

I have reviewed the findings and recommendations. It is my intent to act on these as appropriate for the Village of Collinston.

Sincerely,

A handwritten signature in cursive script that reads "Sandra F. Morgan".

Sandra F. Morgan

RECEIVED
LEGISLATIVE AUDITOR
06 JUN 21 AM 10:59

June 19, 2006

Mr. Steve J. Theriot, CPA
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Theriot:

This will acknowledge receipt of your June 9, 2006, draft of your compliance audit report on the Village of Collinston.

I have carefully read and studied your findings, as well as recommendations.

My intent is to familiarize myself further with everything in your report, to consider further all of your recommendation and suggestions, and then to act in a manner that I deem appropriate in my position as a member of the Board of Aldermen for the Village of Collinston.

With kindest regards, I remain

Betty L. Jones

/kj

RECEIVED
LEGISLATIVE AUDITOR
06 JUN 21 AM 10:59

June 19, 2006

Mr. Steve J. Theriot, CPA
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

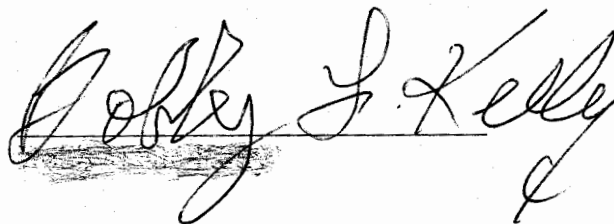
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I have carefully read and studied your findings, as well as recommendations.

My intent is to familiarize myself further with everything in your report, to consider further all of your recommendation and suggestions, and then to act in a manner that I deem appropriate in my position as a member of the Board of Aldermen for the Village of Collinston.

With kindest regards, I remain

A handwritten signature in cursive script, reading "Corky J. Kelly". The signature is written in dark ink and is positioned above a horizontal line.

/kj

Att: Greg Leverage

VILLAGE OF COLLINSTON

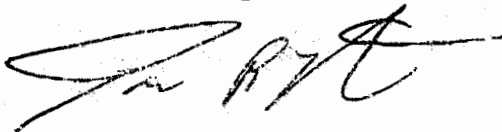
4616 Main Street
P.O. BOX 148
COLLINSTON, LOUISIANA 71229
318-874-2631
FAX 874-2196

James R. Fontenot, Mayor
Flora Hicks, Clerk
Councilmen:
Betty Jones
Bobby Kelly
Sandra Morgan

- (1) Brenda Carruth, The Village Accountant, received the Bank Statements and asks me if I wanted to look at them. As I was looking at them, I noticed the payment to Cingular. I called Cingular and found out it was on my phone. I then called the CPA, Cindy Hayes. She was out of the Office. I called Cindy the next day and she told me that all I needed to do was to reimburse the Village. I then made arrangements and gave Mrs. Hicks the money of which I thought was the correct amount. When the Audit was done I discovered that I was \$9.00 short, which I immediately paid. The mix up occurred when I paid my bill at the Cingular Store on 165 in Monroe, La on a check I wrote on my personal account. It is run through a machine and the check is given back to you. Before the bank Statement came out I paid another bill and it was done when Cingular called me. They ask me if I wanted to use the same account of which I said yes, thinking it was my personal account. Since this time the phone account has been changed from James Fontenot/Village of Collinston to James Fontenot/ D & J Pest Control.

On the matter of the Credit Card, a letter has been sent to change it from James Fontenot/Village of Collinston to James Fontenot.

- (2) The Village of Collinston is adopting a new travel policy to include the date, miles, meals and reason for the trip. I was under the assumption that all I had to turn in was mileage and that is what I did.
- (3) The Village of Collinston is adopting a new policy on the petty cash fund which is to include that no checks can be cashed from it or no employee, including the Mayor and Council Members, can borrow from it.



James R. Fontenot
Village of Collinston

Office of Legislative Auditor
Attention Steve J. Theriot, CPA

I am sending a copy of my response to your compliance audit report.

Sincerely,



James R. Fontenot